

## **SEC. 801. MANAGEMENT OF PROCUREMENT OF SERVICES.**

(a) RESPONSIBILITY OF UNDER SECRETARY OF DEFENSE FOR ACQUISITION, TECHNOLOGY, AND LOGISTICS- Section 133(b)(2) of title 10, United States Code, is amended by inserting 'of goods and services' after 'procurement'.

(b) REQUIREMENT FOR MANAGEMENT STRUCTURE- (1) Chapter 137 of such title is amended by inserting after section 2328 the following new section:

`Sec. 2330. Procurement of services: management structure

`(a) REQUIREMENT FOR MANAGEMENT STRUCTURE- (1) The Secretary of Defense shall establish and implement a management structure for the procurement of services for the Department of Defense. The management structure shall be comparable to the management structure that applies to the procurement of products by the Department.

`(2) The management structure required by paragraph (1) shall--

`(A) provide for a designated official in each military department to exercise responsibility for the management of the procurement of services for such department;

`(B) provide for a designated official for Defense Agencies and other defense components outside the military departments to exercise responsibility for the management of the procurement of services for such Defense Agencies and components;

`(C) include a means by which employees of the departments, Defense Agencies, and components are accountable to such designated officials for carrying out the requirements of subsection (b); and

`(D) establish specific dollar thresholds and other criteria for advance approvals of purchases under subsection (b)(1)(C) and delegations of activity under subsection (b)(2).

`(b) CONTRACTING RESPONSIBILITIES OF DESIGNATED OFFICIALS- (1) The responsibilities of an official designated under subsection (a) shall include, with respect to the procurement of services for the military department or Defense Agencies and components by that official, the following:

`(A) Ensuring that the services are procured by means of contracts or task orders that are in the best interests of the Department of Defense and are entered into or issued and managed in compliance with applicable statutes, regulations, directives, and other requirements, regardless of whether the services are procured through a contract or task order of the Department of Defense or through a contract entered into or task order issued by an official of the United States outside the Department of Defense.

`(B) Analyzing data collected under section 2330a of this title on contracts that are entered into for the procurement of services.

`(C) Approving, in advance, any procurement of services above the thresholds established pursuant to subsection (a)(2)(D) that is to be made through the use of--

`(i) a contract or task order that is not a performance-based contract or task order; or

`(ii) a contract entered into, or a task order issued, by an official of the United States outside the Department of Defense.

`(2) The responsibilities of a designated official may be delegated to other employees of the Department of Defense in accordance with the criteria established by the Secretary of Defense.

`(c) DEFINITION- In this section, the term `performance-based', with respect to a contract or a task order means that the contract or task order, respectively, includes the use of performance work statements that set forth requirements in clear, specific, and objective terms with measurable outcomes.'.

(2) Not later than 180 days after the date of the enactment of this Act--

(A) the Secretary of Defense shall establish and implement the management structure required under section 2330 of title 10, United States Code (as added by paragraph (1)); and

(B) the Under Secretary of Defense for Acquisition, Technology, and Logistics shall issue guidance for officials in the management structure established under such section 2330 regarding how to carry out their responsibilities under that section.

(c) TRACKING OF PROCUREMENT OF SERVICES- Chapter 137 of title 10, United States Code, as amended by subsection (b), is further amended by inserting after section 2330 the following new section:

`Sec. 2330a. Procurement of services: tracking of purchases

`(a) DATA COLLECTION REQUIRED- The Secretary of Defense shall establish a data collection system to provide management information with regard to each purchase of services by a military department or Defense Agency in excess of the simplified acquisition threshold, regardless of whether such a purchase is made in the form of a contract, task order, delivery order, military interdepartmental purchase request, or any other form of interagency agreement.

`(b) DATA TO BE COLLECTED- The data required to be collected under subsection (a) includes the following:

`(1) The services purchased.

`(2) The total dollar amount of the purchase.

`(3) The form of contracting action used to make the purchase.

`(4) Whether the purchase was made through--

`(A) a performance-based contract, performance-based task order, or other performance-based arrangement that contains firm fixed prices for the specific tasks to be performed;

`(B) any other performance-based contract, performance-based task order, or performance-based arrangement; or

`(C) any contract, task order, or other arrangement that is not performance based.

`(5) In the case of a purchase made through an agency other than the Department of Defense, the agency through which the purchase is made.

`(6) The extent of competition provided in making the purchase and whether there was more than one offer.

`(7) Whether the purchase was made from--

`(A) a small business concern;

`(B) a small business concern owned and controlled by socially and economically disadvantaged individuals; or

`(C) a small business concern owned and controlled by women.

`(c) COMPATIBILITY WITH DATA COLLECTION SYSTEM FOR INFORMATION TECHNOLOGY PURCHASES- To the maximum extent practicable, a single data collection system shall be used to collect data under this section and information under section 2225 of this title.

`(d) DEFINITIONS- In this section:

`(1) The term 'performance-based', with respect to a contract, task order, or arrangement, means that the contract, task order, or arrangement, respectively, includes the use of performance work statements that set forth contract requirements in clear, specific, and objective terms with measurable outcomes.

`(2) The definitions set forth in section 2225(f) of this title for the terms `simplified acquisition threshold', `small business concern', `small business concern owned and controlled by socially and economically disadvantaged individuals', and `small business concern owned and controlled by women' shall apply.'

(d) REQUIREMENT FOR PROGRAM REVIEW STRUCTURE- (1) Not later than 180 days after the date of the enactment of this Act, the Secretary of Defense shall issue and implement a policy that applies to the procurement of services by the Department of Defense a program review structure that is similar to the one developed for and applied to the procurement of weapon systems by the Department of Defense.

(2) The program review structure for the procurement of services shall, at a minimum, include the following:

(A) Standards for determining which procurements should be subject to review by either the senior procurement executive of a military department or the senior procurement executive of the Department of Defense under such section, including criteria based on dollar thresholds, program criticality, or other appropriate measures.

(B) Appropriate key decision points at which those reviews should take place.

(C) A description of the specific matters that should be reviewed.

(e) COMPTROLLER GENERAL REVIEW- Not later than 90 days after the date on which the Secretary issues the policy required by subsection (d) and the Under Secretary of Defense for Acquisition, Technology, and Logistics issues the guidance required by subsection (b)(2), the Comptroller General shall submit to the Committees on Armed Services of the Senate and the House of Representatives an assessment of the compliance with the requirements of this section and the amendments made by this section.

(f) DEFINITIONS- In this section:

(1) The term `senior procurement executive' means the official designated as the senior procurement executive under section 16(3) of the Office of Federal Procurement Policy Act (41 U.S.C. 414(3)).

(2) The term `performance-based', with respect to a contract or a task order means that the contract or task order, respectively, includes the use of performance work statements that set forth contract requirements in clear, specific, and objective terms with measurable outcomes.

(g) CLERICAL AMENDMENTS- (1) The heading for section 2331 of title 10, United States Code, is amended to read as follows:

`Sec. 2331. Procurement of services: contracts for professional and technical services'.

(2) The table of sections at the beginning of chapter 137 of such title is amended by striking the item relating to section 2331 and inserting the following new items:

`2330. Procurement of services: management structure.

`2330a. Procurement of services: tracking of purchases.

`2331. Procurement of services: contracts for professional and technical services.'.